

**April 4, 2007**  
**Program Policy Committee – Sapphire Room**

**Committee Members Present:**

Melody Olson, Anne Carpenter, Sheilah Mevis, Lynn Fawcett, Julia Coyne, Barb Perzinski, Dale Mahugh, Connie Sturgis, Susan Kidd and Patti Russ

Guests: Pat Knoepke, Val Mattfeldt and DeeAnn Hartman

**Chair election: Nominated Connie Sturgis**

**1. Monthly Rate Proposal**

- Update on HB 120 – passed both House & Senate, on its way to the governor's desk for signature. This bill strikes the word "daily" from the current law language, giving the ECSB flexibility to pay an hourly, daily or monthly rate.
- Monthly rate is based on the concept of time there and being paid a flat rate for the month – no holidays or CE policies would be effective; provider would just get a monthly rate. The benefit is for the provider to know what they will get each month regardless of child's absences, etc.
- Some states pay parents such as Kansas and Utah
- Will a provider get the same amount for a private paid child?
- There are still issues with part-time children – payments, absent days
- How would we pay part-time children – how would we override for spring breaks, early out days, summer?
- How are rates set? Providers set their rates, the states conduct a yearly Market Rate Survey (MRS) in which they use the results to pay at the 75<sup>th</sup> percentile of the MRS. This allows parents to access facilities in their areas. The Federal regulations are the reason the state must pay the lesser of the provider or district rate.
- What would happen with certain policies if we had a waitlist? The policies such as Hold-the-Slot, Suspending a Case, Grace Period, Medical Emergency would still be considered under Continuity of Care policies in the Best Beginnings program.
- Some providers charge families only hourly rates because it curtails parents from keeping their children in care longer than authorized.
- The state has other options for payment too – such as contracting for slots with star-quality facilities or extended license facilities.
- ECSB would have to do a CCUBS enhancement.
- Discussion about parents on different shifts – how to authorize?
- Is it possible to do a pilot with 1-Star and 2-Star facilities to pay monthly rates and set-up contracts with these facilities for a short period of time to be able to gather data and answer some of these questions?
- It is important for providers to look at their business costs (i.e. costs of employees, etc.) in setting rates.

**RECOMMENDATION: To pilot a six-month monthly rate project with One-Star and Two-Star facilities. During the six-month time period the state could collect data and analyze the costs paid out with these facilities versus what would have been paid from a daily or hourly rate.**

- **Assess time to complete invoices for providers and CCR&Rs**
- **Assess state policy and rules**
- **Assess provider thoughts and comments about the pilot**
- **Make sure the pilot is getting a good representation statewide of facilities**
- **CCR&Rs will pay a Fee for Service for pilot facilities each month**
- **Monthly rates will be determined by 21 days month times district rate.**
- **Part-time children will be pro-rated on time set in authorization.**
- **Overrides for part-time children will be done as needed.**
- **ECSB may want to set up contracts with facilities during pilot**
- **ECSB would ask Star facilities to apply to participate.**

2. Update on the Oklahoma Conference – systems used in Oklahoma and Kansas

- Oklahoma –
  - Melody Olson went to a conference in OK that highlighted these two types of payment systems.
  - Uses a card that swipes into a POS machine.
  - Each family has a code for the child that tracks the time they enter and time they leave.
  - If a parent misses a swipe, they have a 10-day window to “fix” the swipe.
  - Card pays every Monday – two weeks in arrears
  - Need to be reconciled daily
  - State provides machines, provider signs a contract for machine, state provides training
  - In OK, the card is tied to their food stamps and TANF benefits
  - OK uses a two-day window from time application is approved to get card approved
- Kansas –
  - Uses a card, but pays the parent instead of the provider
  - Strengthens communications between parent and provider – how often the parent will pay; parent responsible to pay provider either weekly, monthly, etc.
  - Card is linked to a certain provider
  - Parent still responsible for co-payments and over and above charges
- Discussion about benefits policy philosophy; paying a parent versus paying a provider; time and attendance versus paying the cert plan - what are the benefits to the state and to providers by doing either.

Pros to pay parent	Cons to pay parent	Pros to pay provider	Cons to pay provider	Pros to state	Cons to state	Current problems
Parents learn responsibility	Lack of understanding	Paperwork would be minimized	Providers may not get full state benefit	Simplifies administration by not monitoring co-payments and no 1099s	Machine maintenance	Providers are back paid and not prepaid
Strengthens communication between parent and provider	Too much responsibility	Electronic notices to provider from POS machine	Kids may get moved around to different facilities	Possible cost savings	Initial costs of machines or system	
Simplifies administration by not monitoring co-payments	Could be a con to – how to providers get co-payments paid?		If child doesn't attend within a 10-day window and provider may be unaware of change	Possibly a lot less overpayments than now		
Parents are used to cards in Food Stamps and TANF	If cards were connected with Food Stamps, TANF – and can't get care if they forget their card on one day.		Machine issues- break downs, maintenance			
			LUP are constantly switching			
			Duplicate entry with CACFP requirements			

**RECOMMENDATION – The Program Policy Committee continue discussion at next meeting.**

3. 6-hour as full day time frame – will be added to next meeting's committee agenda. This is a request from Lynn Fawcett.

4. Rule Change suggestions –

- Child support - if the parent is under 18 they do not need to apply for CS until they reach 18. The CSED recommended this practice; and
- The bureau needs to define what it means to be in cooperation and in compliance. We want to add the language that parents are responsible to report and changes to their current child support situation such as the opening and closing of cases, changes to amount received in a court-ordered child support, or changes to their reason for good cause. The bureau needs to include language about being "in-compliance" if a family is actively working with CSED.

**RECOMMENDATION – includes these items in the next Rule process**

5. Background Check Process – Patti Russ

- Look at the way ECSB assesses a background check versus the way background checks are done in licensing

- ECSB looks at crimes of violence, etc. back to age 18. This would disqualify the person from the current LUP program.
- In the licensing program, the check goes back to age 18, but certain crimes can be “aged-out”.
- On the LUP/LUI side, the ECSB has taken a more stringent approach to approving people because there is no monitoring done of these providers once they are approved.
- Pros and cons need to be looked at whether change should be implemented.
- Will hold over the discussion until next meeting.

6. CACFP Reviewing the ECSB benchmarks – Julia Coyne

This agenda item was held over from December meeting, but has since been worked on in the ECSB due to time issues.

**RECOMMENDATION – Add CACFP 5-day meal reconciliation to our next committee meeting (Carrie Leu)**

7. Alternates or Substitute Members –

**RECOMMENDATION – The Committee thinks that each person on MECAC should be responsible for finding their own substitute from the organization they are representing.**

8. 2 Legislative Reps on Council –

**RECOMMENDATION – The committee thinks it would be beneficial to have two legislatures on the council if possible.**

9. 16 year olds counted in as primary caregivers –

**RECOMMENDATION - The committee would support this if the 16-year-old had applicable training or some type of intensive training such as a CNA and was not the sole caregiver. This would require a Rule change for QAD.**

10. Section 3 of state plan – will be e-mailed to each committee member

11. Section 1-8 Improper Payments will also be e-mailed to each committee member

- Anne will send out information to each committee member for them to review. The Bureau will set up a conference call towards the end of April to gather comments from the committee so the State could submit comments from the MECAC council.
- **ACTION- Schedule call on April 23<sup>rd</sup> at 8:00 a.m. to discuss comments to send in.**

**Next agenda:**

- CACFP 5-day meal reconciliation (Carrie Leu)

- Different types of paying providers/parents (i.e. cards)
- Definition of full-day (i.e. 6-10 hours/day)
- Background check process for LUP/LUI applicants